

Senate Bill No. 219

Passed the Senate September 5, 1997

Secretary of the Senate

Passed the Assembly September 2, 1997

Chief Clerk of the Assembly

This bill was received by the Governor this ____ day
of _____, 1997, at ____ o'clock __M.

Private Secretary of the Governor

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CHAPTER ____

An act to amend Sections 3695.5, 3772.5, and 3791.4 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 219, Rosenthal. Property taxation: tax sale: purchase by nonprofit organization.

Existing property tax law authorizes a nonprofit organization to file an objection to the sale of residential or vacant real property that has been deeded to the state and to apply to purchase the property for the purposes of rehabilitation and sale to low-income persons, construction of a residential dwelling on the vacant property and sale to low-income persons, or dedication of the vacant property to public use.

This bill would instead authorize a nonprofit organization, in those circumstances, to rehabilitate and rent to, or otherwise use the property to serve, low-income persons, to construct residential dwellings on the vacant property for rent to low-income persons, or to dedicate the vacant property to public use for these same purposes.

Existing property tax law provides that when residential or vacant property has been tax defaulted for 5 years or more, that property may be purchased by a nonprofit organization, as defined, for the purpose of acquisition of either single-family dwellings for rehabilitation and sale to low-income persons or the acquisition of vacant land for construction of residential dwellings and subsequent sale to low-income persons, or dedication of that vacant land to public use.

This bill would expand those provisions to permit nonprofit organizations to acquire single-family or multifamily dwellings for rehabilitation and sale or rent to low-income persons, or for other use to serve low-income persons, or to acquire vacant land for construction of residential dwellings and subsequent sale



or rent to low-income persons, or for other use to serve low-income persons.

The people of the State of California do enact as follows:

SECTION 1. Section 3695.5 of the Revenue and Taxation Code is amended to read:

3695.5. In addition to the provisions of Sections 3695 and 3695.4 relative to objections to sales, any nonprofit organization may file with the county tax collector and county board of supervisors written objection to the sale for taxes of any residential or vacant real property which the nonprofit organization states in writing that it will rehabilitate and will:

(a) In the case of residential real property, rehabilitate and sell or rent to, or otherwise use the property to serve, low-income persons; or

(b) In the case of vacant real property, either construct residential dwellings on the property and sell or rent the property to low-income persons or dedicate the vacant property to public use, including those uses referred to in subdivision (a).

These objections shall be accompanied by an application to purchase the property under Chapter 8 (commencing with Section 3771) of this part, which shall be filed with the board of supervisors and the tax collector before the intended sale. If a nonprofit organization objects to the sale and, before the date of sale, applies in writing to the board of supervisors to purchase the property under Chapter 8 (commencing with Section 3771) of this part at a price not less than the minimum bid approved by the board of supervisors, the tax collector shall not proceed with the sale.

The terms “nonprofit organization,” “low-income persons” and “rehabilitation” shall have the same meaning in this section as in Chapter 8 (commencing with Section 3771).

SEC. 2. Section 3772.5 of the Revenue and Taxation Code is amended to read:

3772.5. For purposes of this chapter:



(a) “Low-income persons” means persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code.

(b) “Nonprofit organization” means a nonprofit organization incorporated pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code for the purpose of acquisition of either of the following:

(1) Single-family or multifamily dwellings for rehabilitation and sale or rental to low-income persons, or for other use to serve low-income persons.

(2) Vacant land for construction of residential dwellings and subsequent sale or rental to low-income persons, for other use to serve low-income persons, or for dedication of that vacant land to public use.

(c) “Rehabilitation” means repairs and improvements to a substandard building, as defined in subdivision (f) of Section 17920 of the Health and Safety Code, necessary to make it a building which is not a substandard building.

SEC. 3. Section 3791.4 of the Revenue and Taxation Code is amended to read:

3791.4. (a) When residential or vacant property has been tax defaulted for five years or more, that property may be purchased pursuant to this chapter by a nonprofit organization provided that:

(1) In the case of residential property, the nonprofit organization shall rehabilitate and sell or rent to, or otherwise use the property to serve, low-income persons.

(2) In the case of vacant property, the nonprofit organization shall construct residential dwellings on the property and sell or rent the property to low-income persons, otherwise use the property to serve low-income persons, or dedicate the vacant property to public use.

(b) If a nonprofit organization purchases the property pursuant to subdivision (a), the agreement under this chapter shall require the nonprofit organization to meet the conditions prescribed by subdivision (a) within two years after the date of recordation of the deed to the nonprofit organization, which period may be extended by resolution of the board of supervisors for a reasonable



length of time. Upon granting of an extension, notice of the extension shall be given by the clerk of the board of supervisors to the tax collector and the Controller.

(c) The terms and conditions of any conveyance to a nonprofit corporation pursuant to this section shall be specified in the deed or other instrument of conveyance.



Approved _____, 1997

Governor

